

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By \_\_\_\_\_

1 AMEND Senate Substitute for Senate Committee Substitute for Senate Bill No. 241, Page 24,  
2 Section 389.591, Line 9, by inserting after all of said section and line the following:

3  
4 "393.1000. As used in sections 393.1000 to 393.1006, the following terms mean:

5 (1) "Appropriate pretax revenues", the revenues necessary to produce net operating income  
6 equal to:

7 (a) The water corporation's weighted cost of capital multiplied by the net original cost of  
8 eligible infrastructure system replacements, including recognition of accumulated deferred income  
9 taxes and accumulated depreciation associated with eligible infrastructure system replacements  
10 which are included in a currently effective ISRS; and

11 (b) Recover state, federal, and local income or excise taxes applicable to such income; and

12 (c) Recover all other ISRS costs;

13 (2) "Commission", the Missouri public service commission;

14 (3) "Eligible infrastructure system replacements", water utility plant projects that:

15 (a) Replace or extend the useful life of existing infrastructure;

16 (b) Are in service and used and useful;

17 (c) Do not increase revenues by directly connecting the infrastructure replacement to new  
18 customers; and

19 (d) Were not included in the water corporation's rate base in its most recent general rate case;

20 (4) "ISRS", infrastructure system replacement surcharge;

21 (5) "ISRS costs", depreciation expenses and property taxes that will be due within twelve  
22 months of the ISRS filing;

23 (6) "ISRS revenues", revenues produced through an ISRS, exclusive of revenues from all  
24 other rates and charges;

25 (7) "Water corporation", every corporation, company, association, joint stock company or  
26 association, partnership, and person, their lessees, trustees, or receivers appointed by any court  
27 whatsoever, owning, operating, controlling, or managing any plant or property, dam or water supply,  
28 canal, or power station, distributing or selling for distribution, or selling or supplying for gain any  
29 water to more than ten thousand customers;

30 (8) "Water utility plant projects" may consist only of the following:

31 (a) Mains, [and associated] valves [and] , hydrants, service lines, and meters, installed as  
32 replacements for existing facilities that have worn out or are in deteriorated condition or replaced as  
33 part of a commission order, or meters for automated meter reading;

34 (b) Main cleaning and relining projects; and

35 (c) Facilities relocations required due to construction or improvement of a highway, road,  
36 street, public way, or other public work by or on behalf of the United States, this state, a political  
37 subdivision of this state, or another entity having the power of eminent domain provided that the

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1 costs related to such projects have not been reimbursed to the water corporation.

2 393.1003. 1. Notwithstanding any provisions of chapter 386 and this chapter to the contrary,  
3 as of August 28, [2003] 2013, a water corporation [providing water service in a county with a charter  
4 form of government and with more than one million inhabitants] may file a petition and proposed  
5 rate schedules with the commission to establish or change ISRS rate schedules that will allow for the  
6 adjustment of the water corporation's rates and charges to provide for the recovery of costs for  
7 eligible infrastructure system replacements [made in such county with a charter form of government  
8 and with more than one million inhabitants]; provided that an ISRS[, on an annualized basis,] must  
9 produce ISRS revenues of at least one million dollars on an annualized basis, but not in excess of ten  
10 percent on an annualized basis of the water corporation's base revenue level approved by the  
11 commission in the water corporation's most recent general rate proceeding. An ISRS and any future  
12 changes thereto shall be calculated and implemented in accordance with the provisions of sections  
13 393.1000 to 393.1006. ISRS revenues shall be subject to refund based upon a finding and order of  
14 the commission, to the extent provided in subsections 5 and 8 of section 393.1006.

15 2. The commission shall not approve an ISRS for a water corporation [in a county with a  
16 charter form of government and with more than one million inhabitants] that has not had a general  
17 rate proceeding decided or dismissed by issuance of a commission order within the past three years,  
18 unless the water corporation has filed for or is the subject of a new general rate proceeding.

19 3. In no event shall a water corporation collect an ISRS for a period exceeding three years  
20 unless the water corporation has filed for or is the subject of a new general rate proceeding; provided  
21 that the ISRS may be collected until the effective date of new rate schedules established as a result of  
22 the new general rate proceeding, or until the subject general rate proceeding is otherwise decided or  
23 dismissed by issuance of a commission order without new rates being established.

24 4. As of August 28, 2019, the provisions of this section shall only apply to a water  
25 corporation in a county with a charter form of government and more than one million inhabitants."  
26 and

27  
28 Further amend said bill by amending the title, enacting clause, and intersectional references  
29 accordingly.